



Commission on Wartime Contracting
In Iraq and Afghanistan

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Wartime Contracting team will examine big-dollar U.S. construction projects during Afghanistan trip

ARLINGTON, VA, Aug. 23, 2010 – A commissioner and four professional staff of the federal Commission on Wartime Contracting in Iraq and Afghanistan (CWC) have joined two staffers from the CWC field office in Kabul for a week-long examination of U.S. construction contracts in war-torn Afghanistan.

The United States has committed billions of dollars to construction projects in Afghanistan to support its military, diplomatic, and reconstruction efforts there. Projects include base facilities, power plants, office buildings, fuel storage, schools, and training centers for Afghan security forces. Contracting agencies include the U.S. Departments of Defense and State and the U.S. Agency for International Development.

Another CWC team returned from Afghanistan last week after gathering information on security and logistics issues. Such commission trips provide on-the-ground evidence for research and hearings that will feed into reform recommendations to Congress.

“Construction contracting in a war zone half a world away involves real challenges on cost, quality, timeliness, suitability, and sustainability,” said CWC Co-Chair Michael Thibault. “The government needs a clearer view on the way these projects are planned, contracted, and supervised. We often don’t know how many people are working on U.S. bases, whether prime contractors are effectively managing their subcontractors, whether employee vetting and access control are adequate, and whether Afghans can sustain projects like the \$300 million Kabul power plant after U.S. personnel leave.”

The team will visit construction sites including a \$28 million expansion of the U.S. military’s Camp Phoenix outside Kabul, a \$234 million office annex in the capital city, and the \$205 million Afghan National Defense University. The dollar figures are estimates of ultimate contract value; actual billings could be higher.

“The Special Inspector General for Iraq Reconstruction estimates that about \$4 billion has been wasted on infrastructure projects there,” Thibault said, “and Afghanistan is an even more challenging environment for contracting. The remoteness, the tribal culture, the lack of modern institutions, the pressure of our troop build-up, the difficulties of oversight, and the presence of a dangerous insurgency all multiply the risks of waste, fraud, and abuse. We really have to keep our guard up, but we know there are big vulnerabilities.”

Commission Co-Chair Christopher Shays pointed to other concerns that will be addressed on the trip. “We are looking into cases of some contractors or outright scam artists who charge people from other countries to fly them to supposed jobs in Dubai, but instead dump them with no jobs or documents on air bases in Afghanistan—that’s a human-rights abuse that cannot be tolerated,” Shays said. “We also need to look at problems like inadequate housing and security for contract employees, whether new construction is being properly checked for fire and electrical safety, and whether U.S. reconstruction projects are being planned with due regard for local needs and capabilities.”

Shays said another concern is the ad hoc evolution of the Commander’s Emergency Response Program (CERP), from an initiative allowing U.S. commanders to deploy relatively small amounts of cash for local improvements like wells, into a source of funding for major construction like power plants and hotels.

“Providing flexibility and avoiding red tape are good things,” Shays said, “but CERP has grown into a billion-dollar budget item with weak documentation and controls. CERP needs a closer look and more accountability for construction spending.”

One of the critical issues emerging from the Commission’s work is that while U.S. contingency operations depend upon contractor support, the federal government has great difficulty deploying adequate numbers of properly trained contract managers and auditors overseas. “Peacetime ways don’t work in wartime,” Shays said. “We need to pinpoint weaknesses while our Iraq and Afghanistan campaigns are still active so we don’t face the same problems the next time we commit U.S. personnel and resources to a contingency operation.”

Congress created the Commission in 2008 (Public Law 110-181) to examine contingency contracting for reconstruction, logistics, and security functions, and to recommend improvements. Its final report to Congress is due in July 2011. Co-chairs are Michael Thibault and Christopher Shays; other members are Clark Kent Ervin, Grant Green, Robert Henke, Katherine Schinasi, Charles Tiefer, and Dov Zakheim. The Commission’s executive director is Robert Dickson; its website is www.wartimecontracting.gov.

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